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U.S. Labor Party: Cult Surrounded by Controversy

The following article is based on reporting by Howard Blum and Paul L. Montgomery and was written by Mr. Montgomery:

Last month in New Hampshire a mild-looking economic theorist named Lyndon H. LaRouche Jr. began his 1980 campaign for President of the United States, escorted by expressionless security men from the U.S. Labor Party, the cult-like organization he has created over the last decade.

Mr. LaRouche first gained attention during the 1968 Columbia University strike, when he attracted students a generation younger than he and formed the National Caucus of Labor Committees. In the decade that followed, he has turned

First of two articles.

that organization and its political arm, the U.S. Labor Party, away from Marxism to the extreme right and — despite the presence of many Jewish members — to anti-Semitism. The organization no longer advocates a workers' state, and its members now dominate a multimillion-dollar-a-year business. According to charges by former party members in a pending lawsuit, the business channels money to Mr. LaRouche's U.S. Labor Party.

Along the way — according to former party members and, in some cases, to party publications, internal party records and law-enforcement officials — members of the party have initiated gang assaults at rivals' meetings, taken courses in the use of knives and rifles at an "anti-terrorist" school and produced private intelligence reports on anti-apartheid groups in the United States for the Bureau of State Security of South Africa.

The party has also brought members from its branches in West Germany and Mexico to a farm in upstate New York for training in guerrilla warfare, according to former party members who say they participated in the training.

For some, the U.S. Labor Party is one of many sects at the far fringe of American politics, unworthy of serious attention. But for opponents of the party who believe themselves the targets of systematic harassment, the party is a menace that received 27 percent of the vote in a local election in Seattle and that should be closed off from its latest goal — getting matching funds from the Federal treasury for Mr. LaRouche's Presidential campaign.

The 57-year-old Mr. LaRouche runs his operation from a closely guarded headquarters occupying the entire floor of an office building off Columbus Circle — at 304 West 58th Street. This year, through airport sales of its publications, fund-raising drives among members and income from successful computer and printing companies, the U.S. Labor Party is expected to raise more than \$4 million for Mr. LaRouche's varied projects.

What follows is based on public records, on party documents and literature and on interviews with former members of the U.S. Labor Party, none of whom wanted to be named. Some said they feared for their lives, some said they feared harassment for themselves or their spouses still inside the party and some seemed embarrassed at what they now regard as another life.

A New York Times inquiry into the activities of the 1,000-member core of the party, who are scattered among 37 listed offices in North America and 26 in Europe and Latin America, has found the following:

¶ Party members have a dominant role in three Manhattan companies that, according to informed estimates, together have revenues of perhaps \$5 million a year. The companies are the Comptron Technologies Corporation, at 810 Seventh Avenue, a programming concern that includes Mobil Oil, Citibank, Bristol-Myers and A.T.&T. among its clients; World Composition Services, at 432 Park Avenue South, which has one of the most advanced computer typesetting complexes in the city and does work for the Ford Foundation and major publishers, and PMR Associates, at 205 West 27th Street, a job printing shop that produces the party's publications as well as outside work for high school newspapers. According to an affidavit filed in a pending lawsuit by two former party members against three individuals associated with the U.S. Labor Party, money from Comptron goes, unreported, to the party. The unreported channeling of money from business to a political party is a potential violation of Federal campaign law.

Corporate officers from all three companies denied any links to the Labor Party and refused repeated request for interviews.

¶ Beginning in 1976, the party voluntarily transmitted "intelligence" reports on left-wing movements to the Federal Bureau of Investigation and local police departments. In 1977, the group attempted to commercialize its intelligence network. According to former members, reports on anti-apartheid groups were prepared for South Africa, student dissidents were investigated for the Shah of Iran's Savak, and the anti-nuclear movement was examined for power companies.

¶ Mr. LaRouche announces to the members several times a year that he is "targeted" for assassination by various conspirators. The latest, according to the candidate, include the Queen of England,

on Foreign Relations, the Justice Department and Mossad, the Israeli security agency. Recently, at least eight members of the party have undergone intensive training in "anti-terrorist" techniques at a camp in Powder Springs, Ga., that is operated by Mitchell L. WerBell 3d, an international arms dealer who has served as adviser to Latin American dictators, including Fulgencio Batista and Anastasio Somoza.

During World War II, Mr. WerBell was a guerrilla fighter for the Office of Strategic Services and he says he still has close ties to the Central Intelligence Agency. According to Mr. WerBell, the training at his camp — costing \$200 a day per person for six days — involves rifle, knife and pistol use for defense against assassination.

¶ Officers of the party exchange information nearly daily with Roy Frankhouser of Reading, Pa., who calls himself the Grand Dragon of the Ku Klux Klan in Pennsylvania and who has also been active in the American Nazi Party. Mr. Frankhouser worked briefly as an informant for the Alcohol, Tobacco and Firearms Bureau and also says he has served with the C.I.A. and the F.B.I. (The policy of both Federal organizations is not to comment on undercover agents.)

In 1975, Mr. Frankhouser was convicted in Federal court of conspiring to sell a half a ton of stolen dynamite and received five years probation. He has also marched on Fifth Avenue in a black Gestapo uniform. On a number of occasions, Mr. LaRouche has cited Mr. Frankhouser as a "high intelligence source."

¶ The party has founded "anti-drug coalitions" in a dozen states that are used as vehicles for spreading Mr. LaRouche's theories that British intelligence services and "Zionist drug runners" control the world's narcotics traffic. In many cases, people listed as members of the coalitions have said their names were used without permission, and others have resigned — because they learned of the party's role in the groups or because of the coalitions' anti-Semitic nature — only to find their names still being used.

¶ Another group set up by the U.S. Labor Party — the Fusion Energy Foundation, which advocates nuclear power — has been approved as a nonprofit organization by the Internal Revenue Service. All money gathered by party members in the field through the sale of the foundation's publications and through donations from utilities are included in the daily transfers of money to party headquarters. The foundation said in its 1978 tax return that no part of its income of \$103,897 was used for political purposes.

¶ The party encourages its members to take jobs outside the party to assist the group's private intelligence-gathering. For example, unknown to the Council on Foreign Relations, a secretary was an active member of the U.S. Labor Party. Among the secretary's duties last year was to attend the sessions of the Bilderberg Society, an exclusive organization of the world's industrial and foreign-policy elite that meets annually in a confidential

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